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Congress of the United States
House of Representatives

June 8, 2004

The Honorable Michael Chertoff
Secretary
U.S. Department of Homeland Security
Washington, D.C. 20528

Dear Secretary Chertoff:

I wanted to bring to your attention the attached news articles from papers in my state that detail the significant problems that production, distribution and use of illegal drugs, particularly methamphetamine and its precursor chemicals, pose in my congressional district.

I saw these problems firsthand during a series of seven town hall forums on methamphetamine I conducted throughout central, southern, and eastern Oregon earlier this year where I continued to work with local and state law enforcement and prevention providers as well as the Office of National Drug Control Policy, the Drug Enforcement Administration and others in the Department of Justice to help address the issue of production within our nation's borders. I also support efforts by the Department of Homeland Security to stop the flow of illegal substances that poison our communities.

Earlier this week *The Oregonian* printed the attached article detailing information about the rampant trafficking of meth precursor chemicals and the substantial meth production capabilities that exist in Mexico. These sorts of super meth lab facilities operating in Mexico and elsewhere outside our nation's borders produce massive quantities of meth for transport along major distribution routes to the Northwest and communities across the United States. Trafficking through Oregon is particularly prominent because the state is home to a number of substantial riverports, major interstate highways, and is adjacent to states that comprise both our northern and southern borders.

As detailed in the second attached article from *The Oregonian*, law enforcement officials impounded 11 vehicles used in the meth trade in March. A number of these vehicles had secret compartments used to conceal illegal drugs that were transported along Interstate 5, the major North-South artery stretching from Mexico to Canada through California, Oregon and Washington. The bust yielded 42 pounds of meth and a number of Mexican nationals who were in the country illegally.

As you know, drug smuggling is often conducted by residents who have either obtained illegal identification or entered the country illegally. The attached article entitled "Police

GREG WALDEN
2D DISTRICT, OREGON
DEPUTY MAJORITY WHIP

WASHINGTON, DC OFFICE:
1210 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3702
TELEPHONE: (202) 225-6730

DISTRICT OFFICES:
843 EAST MAIN STREET
SUITE 400
MEDFORD, OR 97504
TELEPHONE: (541) 776-4646
TOLL FREE: (800) 533-3303

JAMISON BUILDING
SUITE 201
131 NW HAWTHORNE STREET
BEND, OR 97701
TELEPHONE: (541) 389-4408

WEBSITE:
<http://walden.house.gov>
(E-MAIL AVAILABLE ON WEBSITE)

cite ID theft, meth link” emphasizes the strong correlation between meth trafficking and improper use of identification. Too often, individuals are able to obtain fraudulent identification. Congress has acted recently to approve provisions to increase the burden of proof required before identification is accepted by the federal government. Legislation is pending in the Oregon Legislature to bring identification standards in line with these more stringent guidelines, and I hope this new law will be successful in limiting the ability of illegal residents to move illegal drugs between Mexico and the United States.

Once meth reaches our city and towns, it does untold damage through increases in theft, violence, neglected children and the substantial need for tax dollars to fund law enforcement and drug prevention and treatment programs required to address the problem. I’ve also attached an article from the *The Bulletin* newspaper from Bend, Oregon regarding the case against a mother who has been charged with forcing her infant to ingest meth while breast feeding. This is just one example of the profound affects that the drug can have on families, children and whole communities.

The situation is truly grave and I look forward to working with you further to combat the scourge of illegal drugs as Congress devises legislative solutions to provide tools for your department and other federal agencies to more effectively combat drug trafficking within the country and along our nation’s borders. To help shape the legislative initiatives already underway I would appreciate if you could provide me with additional information on the following topics:

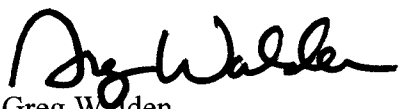
How successful have existing efforts been in interceding illegal drugs along the border; specifically, has there been an increase in the quantities of meth being confiscated at points of entry and along the border?

What programs is the Department of Homeland Security engaged in with Mexico to assist in the education and training of Mexican officials on illegal narcotics, specifically meth?

Has the Department of Homeland Security been working with counterpart agencies in Mexico to assist in the development of programs aimed at ensuring precursor ingredients being shipped into their country are going to legitimate health needs rather than being diverted to meth production?

Please feel free to contact me if I can ever be of assistance with this or any other issue affecting the security of our homeland.

Best regards,

A handwritten signature in black ink, appearing to read "Greg Walden".

Greg Walden
Member of Congress

Mexico's math problem adds up to a U.S. meth problem

The gap between Mexico's legal uses of cold pills and its swelling imports of pseudoephedrine points to diversions for meth

Paper: The Oregonian

Date: Sunday, June 05, 2005

Written By: STEVE SUO

Mexican law enforcement officials have worked with U.S. drug agents since 2003 to end the smuggling of pseudoephedrine pills from Hong Kong, believing it to be the largest source of the cold medicine used by methamphetamine traffickers.

However, an analysis by The Oregonian shows that Hong Kong is only a secondary supply of pseudoephedrine for the Mexican drug cartels fueling the U.S. meth trade. The dominant source: cold medicine manufactured by Mexico's legitimate pharmaceutical industry.

The newspaper reached this conclusion by estimating Mexico's legitimate demand for pseudoephedrine, something that U.S. officials have never done and that Mexican officials are only now attempting. The analysis showed that legitimate demand is much smaller than the 224 tons that Mexico imported last year.

Only 81 tons of pseudoephedrine was required to make roughly 140 leading cold medicines in Mexico last year, the newspaper found. This figure was based on sales at 28 major wholesalers and pharmacy chains reported by IMS Health, a U.S.-based market research firm. The newspaper determined the dosage of pseudoephedrine in each product, then multiplied that amount by the number of pills or milliliters of liquid sold.

Even this estimate is generous because the IMS data may inadvertently include illegitimate sales.

Separately, sales data provided by Farmacias Similares, a huge discount pharmacy chain not included in the IMS survey, accounted for another 10 tons of pseudoephedrine.

Solid statistics on cold medicine use by Mexico's extensive public health system were unavailable. The best available data indicate that Mexico's main federal provider of health services consumed, at most, about 16 tons.

Roughly 6 tons was assumed wasted during manufacturing, based on industry standards.

An additional 15 tons went to U.S.-owned "maquiladora" factories that manufacture cold medicine for the U.S. market, according to Mexico's health ministry.

The ministry said about 1 ton was exported to other countries.

In total, these legitimate uses of pseudoephedrine accounted for 129 tons, or 95 tons less than what the country imported. And this estimate may understate the problem.

Using a different approach, The Oregonian attempted to answer what a plausible growth rate for Mexican pseudoephedrine imports might be.

From 1996 to 1998, just before Mexico's pseudoephedrine boom began, its imports of the chemical averaged 30 tons a year. The newspaper assumed these were entirely legitimate, then factored in the effects of population growth, rising standards of living and a ban on another popular decongestant, phenylpropanolamine.

Calculated this way, legitimate uses should have grown to 92 tons by 2004. That would leave 132 tons available for the meth trade.

An assessment by Mexico's health officials suggests the amount diverted could be even more. They have told international authorities the country could need as little as 70 tons of pseudoephedrine, an estimate that is still being refined.

Mexico's pseudoephedrine surplus of roughly 100 tons matches what meth cooks in Mexico require each year. Previous analysis by the U.S. Drug Enforcement Administration shows that roughly 200 tons is needed to produce all the meth sold in the United States, and DEA Administrator Karen Tandy told Congress in March that labs in Mexico make about 53 percent of U.S. meth supply.

Jose Luis Santiago Vasconcelos, Mexico's deputy attorney general for organized crime, acknowledged in an interview that drug cartels are obtaining pseudoephedrine pills made by the country's pharmaceutical industry.

However, Vasconcelos said pills made in Hong Kong are the cartels' main source. U.S. officials say shipping records and other intelligence show Hong Kong pharmaceutical manufacturers have shipped 450 million pseudoephedrine pills to Mexican front companies since 2003. On April 1, Hong Kong authorities agreed to verify each Mexican importer's credentials.

At the standard size of 60 milligrams, the Hong Kong pills would yield only 13.5 tons of pseudoephedrine a year.

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Six suspected West Coast meth smugglers arrested

Outlet: Associated Press

Date: March 15, 2005

PORTLAND, Ore. (AP) — Six men suspected of leading one of the most active methamphetamine smuggling rings on the West Coast have been arrested after a raid at a suburban farmhouse, police said.

Five of the 11 vehicles seized in the weekend raid were outfitted with elaborately designed secret compartments for trafficking drugs up Interstate 5 from Mexico, according to investigators.

While the smugglers also brought heroin and cocaine into California, Oregon and Washington, their primary drug was methamphetamine, manufactured at superlabs in Mexico. The vehicles had cubbyholes large enough to hold 30 pounds of meth, officials said.

"They were very sophisticated, electronically activated," said Assistant U.S. Attorney Chuck Stuckey.

Federal agents seized 42 pounds of meth in the raid, with a value of about \$225,000, said Rodney Benson, special agent in charge of the U.S. Drug Enforcement Administration field office in Seattle.

"I can now say it's no more," Benson said.

It was about 19 months ago that the DEA first heard of an operation moving large amounts of drugs along the Interstate 5 corridor in a small fleet of cars with hidden compartments, Benson said.

Stuckey and Benson declined to give details about where the secret compartments were located or how they worked.

However, Benson said federal agents have begun to receive training on spotting and opening high-tech compartments.

In one training example, a drug trafficker set up a system requiring a series of steps to get to the drugs: Open the passenger door. Step on the brake. Turn the radio on. Turn the windshield wipers to fast. Place a magnet in a specific spot on the dashboard. Then the compartment opens.

"We're finding that the sophistication and ingenuity varies," Benson said. "It might just be a matter of applying the brake and leaving the door open."

Another raid was conducted in California at the same time to shut down a companion operation that resulted in 10 arrests and the seizure of 44 pounds of meth, \$109,000 in cash, four cars and 12 guns.

Those arrested in the Portland area were identified as: Ricardo Mendoz-Morales, Octavio Mendoza-Morales, Heriberto Montenegro-Mendez, Hector Ricardo Villaruel-Lopez, Oscar Aguirre-Sanchez and Jose Natividad Rios-Ruiz. Three of the men are Mexican nationals in the United States illegally, Stuckey said. They range in age from 20 to 36.

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Police cite ID theft, meth link

As Sen. Cantwell completes a tour of Washington, she hears testimony and data from officers on the local crime epidemic

Paper: *The Oregonian*

Date: Thursday, March 31, 2005

Reporter: Wendy Owen

VANCOUVER -- Clark County's top law officers think 95 percent of all identity thefts are committed by methamphetamine users.

Harsh statistics, but without solid data to prove the link, money to battle the problem has been in short supply.

Sen. Maria Cantwell, D-Wash., is drafting a bill that would call for a national statistical study and consider enhancing the prison time for those who commit crimes involving both identity theft and meth. The study could bring federal dollars to police departments and court systems.

Cantwell ended a statewide tour at the Clark County Courthouse in Vancouver on Wednesday, meeting with Clark County, Oregon and federal law enforcement officials, who listed some startling area statistics.

Meth accounted for 70 percent of the 855 drug cases in Clark County in 2004. The Portland/Vancouver area has the highest rate of mail theft in a five-state area. And the numbers continue to rise.

Vancouver Police Chief Brian Martinek said he and Clark County Sheriff Garry Lucas have estimated 80 percent of the crimes committed in Clark County are linked to meth. And they estimate 95 percent of identity theft is connected to meth.

Federal and local investigators talked about arresting meth users and finding someone else's driver's license on the person. Or arresting someone for mail theft and finding a packet of meth on the suspect.

"The link is obvious," Martinek said. "But what we're hurting on is the legislation."

Cantwell is expected to introduce the bill in the coming session of Congress.

"Our local law enforcement has done a tremendous job in fighting the meth problems," Cantwell said Wednesday. "Unfortunately, they don't have the resources they need. The meth epidemic is creating a wave of identity theft."

Multnomah County Sheriff Bernie Giusto and Martinek also noted a well-worn path between Oregon and Washington traveled by meth and identity theft.

Giusto told Cantwell he would like to see more federal involvement, treating the crimes as an enterprise or an organized crime rather than targeting the individuals involved.

"It has become a business," Martinek said.

Officers said the crimes frequently involve teams of criminals, ranging from those who specialize in stealing personal documents to those who use the items to get cash for meth.

"This really is a crime with tremendous reach," Giusto said.

Mom pleads to drug charge

Paper: *The Bulletin* (Bend)

Date: March 11, 2005

Reporter: Cindy Powers

A Bend mother is scheduled for sentencing today on charges that she attempted to cause her newborn to ingest methamphetamine through her breast milk.

Patricia Diane Burgess, 38, pleaded guilty by Alford plea on Thursday to one count of attempting to cause ingestion of a controlled substance and two counts of recklessly endangering another.

An Alford plea allows a defendant to take the benefit of a plea agreement without specifically admitting to the facts as charged.

Burgess is one of three women who are the first to be charged in Deschutes County with this type of offense, and she is the first to plead guilty.

Deputy District Attorney Victoria Roe said Burgess was ingesting methamphetamine while pregnant, and the substance was passed to her daughter upon birth and when Burgess breast-fed the baby on two occasions.

Defense attorney Terry Rahmsdorff said that, while Burgess admitted to breast-feeding the infant, she did not agree that the prebirth delivery of methamphetamine to her baby was a crime.

In an interview after the hearing, Rahmsdorff expressed his concern over the District Attorney's Office policy of charging pregnant women with delivering drugs to newborns.

"We're all distressed about people using meth and giving birth and breast-feeding," Rahmsdorff said. "My concern is that, if it becomes of record that if you do that and you go to the hospital you will be charged, then I think we will have more home deliveries and meth midwives and, possibly, dead babies.

"I find that the charging policy is endangering infants and I don't like it," Rahmsdorff said.

According to the terms of the plea agreement, Burgess will be placed on probation with the following conditions:

- No contact with illegal drugs or alcohol.
- Compliance with all recommendations of the Department of Human Services with regard to her baby.
- Complete drug and alcohol treatment.
- Complete mental health treatment.

Deschutes County Circuit Court Judge Stephen P. Forte accepted the plea and advised Burgess that the maximum penalty for the offenses is seven years in jail and \$138,000 in fines.

Forte told Burgess that any violation of the terms of her probation could result in the maximum sentence being imposed.

Burgess also pleaded guilty by Alford plea to four counts of theft in an unrelated case.

According to Roe, Burgess was given an ATM card by an elderly man who later asked that she return it. Instead, Roe said, Burgess kept the card and withdrew a total of \$2,300 from the victim's account.

Forte advised Burgess that the maximum penalty for the theft charges is four years in jail and \$26,000 in fines.

Roe could not comment on an ongoing case.

Two similar cases are pending in Deschutes County.

Kristy Meialoha Davis, 31, of Redmond faces multiple charges of causing her baby to ingest methamphetamine and is scheduled to enter an initial plea in Circuit Court on March 21.

Mary Lou Cervantes, 19, of Bend faces similar charges. Her case is set for trial on Aug. 23.

Burgess is scheduled to be sentenced by Deschutes County Circuit Court Judge Alta J. Brady today at 9 a.m.